

The Koch foundation's Charlie Ruger described the motivations of their partner donors:

CKF and our partners put together have committed about 170 million dollars in resources over, let's say, the next 5 or 6 years to these center projects. Only about 40% of that comes from the Charles Koch Foundation. The rest comes from **a network of business leaders from across the country who see our system of free enterprise as being in great peril, and they're willing to put all of their resources, their fortunes, on the line, to help that not happen** (Ruger, [Successful Models of Programs in Private Enterprise](#), APEE 2016). (Emphasis added.)

2. Charles Koch and the Charles Koch Foundation

In 1974, as President and Chairman of the Institute for Humane Studies, Charles Koch spoke on the urgency of U.S. businesses to politicize the universities in favor of free-enterprise:

Although much of our support has been involuntary through taxes, we have also contributed voluntarily to colleges and universities on the erroneous assumption that this assistance benefits businesses and the free enterprise system, even though these institutions encourage extreme hostility to American business. **We should cease financing our own destruction ... by supporting only those programs, departments or schools that "contribute in some way to our individual companies or to the general welfare of our free enterprise system."** (Charles Koch, 1974, [Anti-capitalism and Business](#), pg 4) (Emphasis added.)

The Chair of Florida State University's Department of Economics, Dr. Bruce Benson, was the lead recipient of Koch funding at FSU. In a 2007 memo, he corroborates the Koch foundation's political agenda, and the ultimatum he accepted:

The Koch Foundation agenda is to expose students to free-market ideas, and to provide opportunities for students who want to study with faculty who share Koch's appreciation for markets and distrust of government. The proposal is, therefore, not to just give us money to hire anyone we want and fund any graduate student that we choose. There are constraints, as noted below ([Benson Memo](#), pg 1).

3. Structure of Social Change

The strategy currently employed by Koch Industries for political change was developed for Charles Koch in the late 1970's by Richard Fink.

Fink has served as an Executive Vice President of Koch Industries, CEO of Koch Companies Public Sector (Koch's lobbying arm), President of the Charles Koch Foundation, and was a co-founder (with Charles Koch) of the Mercatus Center at George Mason University in 1978.

He created a strategy, "[the Structure of Social Change](#)", based on a model of industrial production created by Austrian economist Friedrich Hayek. Instead of a company making a product as described in Hayek's model, Fink's version provides the method for a private donor to produce policy change.

Fink's adapted three-part model is funded entirely by private donors. The first step is the production of desired academic research ("intellectual raw materials"), which in the next step a think tank molds into policy recommendations ("usable form"), and finally, corporate funded front groups ("citizen activist groups") give the appearance of public support for the policies.

According to the model, the end result is "the implementation of policy change," which they also call "transforming ideas into action."

4. Koch and Donor Network

The Kochs have successfully implemented the Fink model of creating social change. Since 2003, the orchestration of Fink's "integrated strategy" has taken place at highly secretive, bi-annual "donor summits" hosted by the Kochs. An organization called the [Freedom Partners Chamber of Commerce](#) emerged from the summit in 2011, and its members fund the various parts of Fink's model: a *network of universities, think tanks* (the [State Policy Network](#)), and *astroturf ("grassroots") groups*, the most prominent of which is [Americans for Prosperity](#).

In the beginning of 2016, Koch officials projected that Freedom Partners would raise \$899 million for the 2016 election year. Charles Koch told [USA Today](#) that about a third, \$300 million, would put towards direct political spending, saying "a good part of the rest is education and research."

In a [2007 memo](#), the chair of Florida State University's Department of Economics, Bruce Benson, described the Koch agreement to faculty, including the role that the political donor network plays and the way in which university faculty are invited to participate at donor summits:

Koch is not proposing to provide all \$7 million. Charles Koch has organized a group of Foundations with similar agendas that meet twice a year to discuss funding strategies, etc. If some version of this proposal is agreed to, Koch will invite representatives from FSU to these meetings, introduce us, allow us to make our pitch, and encourage others to join them in funding the program. Koch has a huge endowment, and if this works out, they are likely to provide more support in the future . . .

However, they also want FSU to demonstrate a commitment to the program (e.g., make a sincere effort to raise other money from their network of foundations). Note in this regard, that a similar arrangement was worked out at George Mason University recently, with a \$7 million objective, and they ended up getting over \$8 million ([Benson Memo](#), pg 1).

5. Political Intent of Academic Programs

Koch's donor summits are highly secretive, but on several occasions, documents and recordings have leaked to the public.

The [Center for Public Integrity](#) published leaked recordings from inside a 2014 summit where Koch officials explain the political intent of their campus "philanthropy." On a panel entitled "[Leveraging Science and Universities](#)," the Vice President of the Charles Koch Foundation (and Koch Industries' Vice President of Special Projects), Kevin Gentry, bragged about training and recruiting students for Koch's political activities, and how they fit into the Structure of Social Change:

So, you can see that higher education is not just limited to impact on higher education. Students who aren't interested in becoming professors, but are interested in what we're -- got to be careful how I say this -- more broadly, are very interested and then they, they populate our, our program these think tanks, and grassroots. And as we pointed out, that group of students taught in these centers, that we've been able to produce two million or so grassroots.

[...]

The network is fully integrated, so it's not just work at the universities with the students, but it's also building state-based capabilities and election capabilities and integrating this talent pipeline. So you can see how this is useful to each other over time. No one else, and no one else has this infrastructure. We're very excited about doing it (Gentry, [session transcript](#), pg 32). **(Emphasis added.)**

Gentry's next statement underscores the degree to which the "integrated strategy" is executed-- university donations were solicited in the same room as political contributions:

And because we're (inaudible) well-being, a lot of our current resources are focused on economic freedom and are focusing on electoral process. We're trying to launch a new institution focusing on experimentation with well-being (inaudible) population. **So I hope that those of you that are excited about the electoral process, you'll invest there. Those of you who are excited about universities, invest there. . .**